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# FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

# Sixth Semester BA Degree Examination, March/April 2020 BECO6E03- Economics of Business and Finance

(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

PART A
<b>Answer All Questions</b>
Each question carries 1/2 marks

		estion carries ½ marks											
1.	represent long-term debt instruments.												
	(a) Bonds	(b) Equity											
	(b) Bonus	(d) All the above											
2.	implies planning f	or capital assets.											
	(a) Capital budgeting	(b) Capital rationing											
	(b) Demand forecasting	(d) None of the above											
3.	The estimate of costs associated w	ith investments are called											
	(a) Cash inflows	(b) Opportunity cost											
	(b) NPV	(d) Cash outflows											
4.	Business Economics generally refe	ers to the integration of economic theory with.											
	(a) Business Ethics	(b) Business Management											
	(b) Business Practice	(d) All of the above											
5.	In the long run, all inputs are												
	(a) Variable	(b) Constant											
	(b) Fixed	(d) None of the above											
6.	Prestige pricing is the case of	effect in consumption.											
	(a) Veblen	(b) Bandwagon											
	(b) Snob	(d) Ratchet											
7.	implies that money red	ceived in the future is usually worth less than today.											
	(a) Present value of money	(b) Future value of money											
	(b) Time value of money	(d) None of the above											
8.	are the obligations	of the business enterprise that must be repaid at a											
	future												
	point in time.	•											
	(a) Assets	(b) Liabilities											
	(b) Equity	(d) All the above											

10 1B6M20268 FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE Sixth Semester BA Degree Examination, March/April 2020 BECO6B14 - Public Finance (2017 Admission onwards) Max. Marks: 80 Time: 3 hours a. Public good b.Merit Good c. Private Good d.Mixed good. The largest component of revenue expenditure of government of India is---d. Pension a. Education b. Interest payments c. Defence expenditure Corporate income tax is the tax levied ona. Municipalities b. Companies c. Local governments d. Individuals a. Sales tax b. Excise duty c. Customs duty d. Service tax Major share of the total debt of India comes from ----a. IMF b. Rupee debt c.Commercial borrowing d. External assistance Finance commission is a a. Quasi-judicial body b. Judicial body c. Government body d. Parliament body The displacement effect hypothesis was introduced by----a Musgrave b. Wagner c. Dalton d. Wiseman The highest percentage of tax revenue of the central government is coming from--a. Income tax b. Corporation tax c. Customs duties d. Union excise duties In Kerala, building tax is levied by---a. Union government b. State government c. Local governmentd. All the above Modern theory of the Burden of public debt associated with the name of ----a. Adam smith b. Ricardo c. J.M. Buchannan d. David Hume The law of increasing state activity was propounded by ---a. Wagner b. Clark c. Musgrave d. Dalton The benefit principle of taxation states that tax should be paid in proportion to -a. Income b. Expenditure c. Benefit d. Revenue (12 x 1/2 = 6 Marks)

#### SECTION B Answer any ten questions. Each question carries 2 marks

13	Define merit	goods.
1.2	Deline.	

- 14 Distinguish social good and private good
- 15 What is externalities?
- What do you mean by displacement effect? 16
- What is GST? 17
- 18 Explain the concept of taxable capacity
- 19 What is sinking fund?
- Define redeemable debt 20
- 21 Describe fiscal deficit
- 22 What is fiscal drag?
- 23 Write a note on functional finance
- What is federal finance?

 $(10 \times 2 = 20 \text{ Marks})$ 

#### SECTION C Answer any six questions. Each question carries 5 marks

- What are the principles of local finance? 25
- What are the recommendations of 13th finance commission?
- 27 What is meant by market failure?
- 28 Mention the important sources of public revenue
- What are the reasons for growing public expenditure in India?
- 30 Explain the canons of taxation
- 31 Differentiate public finance and private finance
- 32 Critically examine the theory of maximum social advantage

(6 x 5 = 30 Marks)

# SECTION D Answer any two questions. Each question carries 12 marks

- 33 Explain in detail the role of public finance in a developing country like India
- 34 Discuss the effects of Public expenditure on production distribution and economic stability
- Discuss the theories of Incidence and shifting of taxation 35
- What are the major problems of Indian fiscal federalism? How are they solved?

(2 x 12 = 24 Marks)

20

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#### FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Sixth Semester BA Degree Examination, March/April 2020

BECO6B13 - Indian Economic Development , National and Regional -II

(2017 Admission onwards)

Max, Marks: 80

#### PART A

#### Answer all questions. Each question carries 1/2 Marks

Which of the following industry is known as sun rising industry?

a) Dairy industry

b) Information Technology

c)Health and clinic

d) None of these

To boost economic growth the government is most likely to a) Increase interest rates

b)Increase taxation rates

c)Provide incentives to invest

d)Provide incentives to save

Who is known as 'Father of White Revolution' in India?

a)M.S. Swaminathan

b) V. Kurien

c)K.N. Bahal

d)B.P. Pal

- Which state initiated the eradication of Zamindari system?
  - a) Bihar b) Bengal c) Maharashtra d) Uttar Pradesh

The portfolio investment by foreign institutional investors is called

a) FDI b) FII c) Balance of payment d) SDR

- Food security means:
  - a) Availability of food
- b) Accessibility of food
- c) Affordability of food d) All the above
- Disinvestment means selling of a public investment to a \_
- c) Capital market
- a) Private enterprises b) Public enterprises
- d) Departmental enterprises
- When was the Small Industries Development Bank of India set up? a) 1988 b) 1990 c) 1992 d) 1998
  - Inwards foreign direct investment is useful because
- - a) Imposing more taxes b) Selling shares held by government
  - c) Borrowings
- d) All

10. To whom the yellow ration eard is issued? c) To government employee d) Possel Which of the Co. d) People below the poverty line 11. Which of the following are the reasons of economic reforms? a) The poor performance of public sector b) Inflationary reforms c) Terms and conditions of World Bank d) All the above 12. Where is the headquarter of the WTO? a) New York b) Washington DC c) Geneva d) Austria (12 x 1/2 = 6 Marks)

#### PART B

Very Short answer questions. Answer any ten questions

13 Write a note on the trends in agricultural prices

14 Explain the components of green revolution

Explain the advantages of PDS 15

Describe Zamindari system 16

17 List out the major items of India's imports

18

19 Is there any need of regulating MNCs? Why?

20 What are the advantages of foreign investment?

21 What do you mean by food security?

Write a note on FERA

23 Comment the solution for industrial sickness.

24 Describe the importance of tourism sector in Kerala

 $(10 \times 2 = 20 \text{ Marks})$ 

(6 x 5 = 30 Marks)

### PART C

Short Essay questions. Answer any six questions
25 Distinguish between Kharif and Rabi crops

Explain the limitations of green revolution

27 Explain the land tenure systems which were existed in India.

28 Explain the trends in Industrial production and growth

What is globalization? What are its advantages? 29

30 Explain the causes of industrial sickness

31 Examine the effects of disinvestment

32 Explain the 'Make in India' initiative. What are its advantages?

PART D

#### Essay questions. Answer any two questions

Elucidate the problems and prospects of small scale and cottage scale industries in India

What are the problems of agricultural marketing and explain the measures taken by the government to solve them.

35 Analyse the performance of tourism sector and its contributions to Kerala's development.

Examine the performance and problems of public sector enterprise in India 36

(2 x 12 = 24 Marks)

21 1B6M20266 (Pages: 3) Reg. No:... FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE Sixth Semester BA Degree Examination, March/April 2020 BECO6B12 - Developmental Economics (2017 Admission onwards) Time: 3 hours Max. Marks: 80 SECTION I Answer all questions. Each question carries 1/2mark. 1. Which of the following was the 1st state to bring out state HDR? a, Rajasthan b. Karnataka c. Nagaland d. Kerala 2. The investment by government to create socio-economic infrastructure is a. Induced investment b. Autonomous investment c.IncrementalCOR d. None of the above 3. India according to the World Bank classification falls in the category of a. Low-income economies b. Lower-middle income economies c. Upper-middle income economiesd. High-income economies 4. Consider the following statements and identify the right ones. i. According to the Malthusian theory, supply of food grains increase in geometric ii. The population grows in arithmetic progression. b. ii only c. both d. none 5. Which of the following are the characteristics of the 'Traditional society' in Rostow's Stage theory? A. Limited production function B. No government intervention C. Pre-Newtonian Stage D. Dominance of agricultural activity Select the correct answer using the code given below a. A,B and D b. A,B and C c. A, C and D d. B, C and D 6. Among the following what causes market failure? a. Externality b. Asymmetric information d. Lower price 7. The three indices combining Physical Quality of Life Index (PQLI) are a. infant mortality, life expectancy and adult literacy rate. b. crime rate, clean environment and quality of housing. c. air pollution rate, water pollution rate and sanitation. d. health, education and environment.

a. Convex shaped. b. inverted U-shaped. d. S-Shaped. c. L-shaped. 9. The ultimate effect of the "invisible hand" of Adam Smith is that, in a competitive economy, everyone a. benefits if each acts in his/her own interest. b, will increase their profits in a free market. c. should act to maximize economic growth. d. should act to promote the public interest. 10.A stationary population is when population growth is c. zero. d. 100%. b. decreasing. a, increasing at an increasing rate. 11. The Essay on the Principle of Population was written by a. Ricardo. b. Thomas Robert Malthus, c. Julian Simon, d. RP Nelson. 12. The total fertility rate (TFR) is a, the total number of children born in a country in a given year divided by labor force. b. the number of children born to the average woman during her reproductive years. c. the number of births in a country divided by total population in a given year. d. the number of women age 18-50 in a country divided by total population. (12x 1/2 =6 Marks) SECTION II Answer any ten questions in not more than one paragraph. Each question carries 2 marks 13. Capital -output ratio 14. Infant mortality rate 15. Surplus value 16. Stagnation 17. Capabilities 18. Shocks 19. Development 20. Crude death rate 21. Demographic dividend 22. Forward linkage 23. Gender Development Index

(10 x 2=20 Marks)

8. As economic development proceeds, income inequality tends to follow a

curve

24. Green House Effect

## SECTION III

Answer any six questions not exceeding 120 words each. Each question carries 5 marks.

- 25. What is neutral technical progress?
- 26 Explain the Smithian concept of natural law
- 27. Explain the concept of Limits to Growth.
- 28. What is innovation?
- 29. Explain the concept of Missing Women.
- 30. What are stimulants?
- 31. What is intermediate technology?
- 32. What is division of labour?

(6x5=30 Marks)

#### SECTION IV Answer any two questions. Each question carries 12 marks.

- 33. Ricardo predicted that 'the economy would end in a stationary state because the
- economy would run out of arable land'. Elucidate the statement. 34. 'Select certain leading sectors and invest heavily on them for solving under
- development of countries'. Explain 35. Explain the Capability approach of AK Sen. How it became an alternative to
- economic development perspective?
- 36. Explain the basic characteristics of an under developed country.

(2x12=24 Marks)

22 (Pages:3) 1B6M20265 Reg. No:. Name: ... FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE Sixth Semester BA Degree Examination, March/April 2020 BECO6B11 - International Economics (2017 Admission onwards) Time: 3 hours Max. Marks: 80 Part A a) Current account b) Capital account c) Official Reserve Asset Account d) Both a and b Which of the following is an expenditure switching policy? a) Fiscal policy b) Monetary policy c) Tariffs d ) Revaluation 3. Jamaica Accord is associated with ....... b) Bretton Woods System c) Managed Float d) IMF a) WTO 4. The highest form of economic integration is ...... a) Customs union b) Economic union c) Common Market d) FTA 5. Absolute Advantage model is developed by a) Adam Smith b) David Ricardo c) Bertil Ohlind) Gustav Cassel 6. Factor Proportions Theory is also known as a)Comparative Advantage Theorem
b) Laissez Faire Theorem
c) Absolute Advantage Theorem
d) H O Theorem 7. If a nation's terms of trade is 2, then the terms of trade of its trading partner is a) 1 b) 1/2 c) 0 d) 2 8. The headquarters of IMF is located at ..... a) Brussels b) Washington DC c) Newyork d) London 9. Acquisition of a foreign company by an Indian company is recorded as ..... a) Credit entry in the current account of balance of payments b) Credit entry in the capital account of balance of payments c) Debit entry in the current account of balance of payments d) Debit entry in the capital account of balance of payments

11. Which one of the following is not a non-tariff barrier? b) Specific Duty a) Voluntary Export Restraints d) Quality standards c) Environment protection laws 12. The Law of One Price is known as b) Purchasing Power Parity theory a) Mint parity theory d) Exchange rate theory c) Balance of Payments theory  $(12 \text{ x } \frac{1}{2} = 6 \text{ marks})$ Part B
Very Short Answer Questions
Answer any 10 questions
Each question carries 2 marks Ad Valorem tariff 13. 14.

b) Fixed exchange rate system

d) All the above

10. Gold standard is an example for ......

c) Managed float

16.

17.

18.

20

21.

24.

a) Flexible exchange rate system

Expenditure changing policies Forex market Balance of Payments Exchange rate Distinguish between revaluation and devaluation Infant industry argument 19. Customs union What is dumping? Define comparative advantage. What is the difference between internal and international trade? 23. Leonteif Paradox (10 x 2 = 20 marks)

Part C Short Essay Answer any 6 questions
Each question carries 5 marks

Functions of IMF 25.

Distinguish between FDI and FPI 26.

27. Mercantilists views on trade

Explain different types of terms of trade 28.

29. Discuss various protectionist measures on trade

30. Write a note on ASEAN

31. What is a managed float?

32 How does gold standard operate?  $(6 \times 5 = 30 \text{ marks})$ 

Part D Essay
Answer any 2 questions
Each question carries 12 marks

33. Free trade versus protection - Discuss the case for and against these trade policy

34. Explain purchasing power parity theory

35. Discuss the policies to correct disequilibrium in the balance of payments.

Explain H O Theorem

 $(2 \times 12 = 24 \text{ marks})$